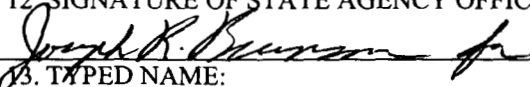
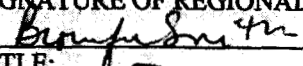


<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER:  <b>03 - 005</b>	2. STATE <b>IDAHO</b>
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE  <b>4/1/03</b>	
5. TYPE OF PLAN MATERIAL (Check One):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> <b>AMENDMENT</b> COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: <b>42 CFR 447.253</b>		7. FEDERAL BUDGET IMPACT: a. FFY 2003 (\$2,806,378) b. FFY 2004 (\$1,403,189)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Supplement 1 to Attachment 4.19-A, page 16 and page 17		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  Supplement 1 to Attachment 4.19-A, page 16 and 17	
10. SUBJECT OF AMENDMENT: Changes the base percentage for hospitals reimbursed by Idaho Medicaid which is determined by a calculation test. Legal Notice was published on March 18, 2003.			
11. GOVERNOR'S REVIEW (Check One): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:  Randy May, Interim, Administrator Idaho Department of Health and Welfare Division of Medicaid PO Box 83720 Boise ID 83720-0036	
13. TYPED NAME: <b>KARL B. KURTZ</b>			
14. TITLE: <b>Director</b>			
15. DATE SUBMITTED: <b>June 23, 2003</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:  <b>JUN 25 2003</b>		18. DATE APPROVED:  <b>MAR - 2 2004</b>	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL:  <b>APR - 1 2003</b>		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: <b>Charlene Brown</b>		22. TITLE: <b>Deputy Director, CMSO</b>	
23. REMARKS:			

Attachment 4.19-A

appeal process. Interest penalties shall only be applied to unpaid amounts and shall be subordinated to final interest determinations made in the judicial review process.

465. RECOVERY METHODS. Recovery shall be effected by one of the following methods:

- Lump Sum Voluntary Repayment. Pursuant to the provider's receipt of the notice of program reimbursement, the provider refunds the entire overpayment to the Department.
- Periodic Voluntary Repayment. The provider may make payments or may have recovery made from interim payments based on a request submitted within thirty (30) days of receipt of the notice or program reimbursement.
- Department Initiated Recovery. The Department shall recover the entire unpaid balance of the overpayment of any settlement amount in which the provider does not respond to the notice of program reimbursement within thirty (30) days of receipt.
- Recovery from Medicare Payments. The Department may request that Medicare payments be withheld in accordance with 42 CFR Section 405.375.

466. NONAPPEALABLE ITEMS. The formula for the determination of the Hospital Inflation Index, the principles of reimbursement which define allowable cost, non-Medicaid program issues, interim rates which are in compliance with state and federal rules, and the preliminary adjustments prior to final cost settlement determinations as supported by properly completed Cost Reports and audits must not be accepted as appealable items.

467. INTERIM REIMBURSEMENT RATES. The interim reimbursement rates are intended to be reasonable and adequate to meet the necessary costs which must be incurred by economically and efficiently operated providers which provide services in conformity with applicable state and federal laws, rules, and quality and safety standards.

- Annual Adjustments. Interim rates will be adjusted at least annually based the hospital's most recent final audited Medicare Cost Report. The time period of the annual adjustments vary depending on when we receive the final audited Medicare cost report from the hospital. The interim rate will reflect the Title XIX Inpatient Operating Cost Limits used to set in-patient rates, the reimbursement floor percentage and the reimbursement ceiling percentage.

Transmittal No: 03-005  
Supersedes No: 96-05

Date Approved:  
Date Effective: April 1, 2003

STATE <u>IDAHO</u>	A
DATE REC'D <u>6-25-03</u>	
DATE APPV'D <u>3-2-04</u>	
DATE EFF <u>4-1-03</u>	
HCFA 179 _____	

Attachment 4.19-A

- **Retrospective Adjustments.** Interim rates will not be adjusted retrospectively upon request for rate review by the provider.
- **Basis for Adjustments.** The Department may make an adjustment based on the Medicare Cost Report as submitted and accepted by the Intermediary, after the provider's reporting year, to bring interim payments made during the period into agreement with the tentative reimbursable amount due the provider at final settlement. If the settlement amount is equal to or greater than 10% of the payments received or paid and equal to or greater than \$100,000, the interim rate will be adjusted to account for half of the difference.
- **Unadjusted Rate.** The Title XIX interim reimbursement rate on file is synonymous with the term unadjusted rate used by other payers.

468. **Hospital Swing-Bed Reimbursement.** The Department will reimburse hospitals which meet the requirements found in Idaho Department of Health and Welfare Rules, Title 3, Chapter 9, Section 161, Rules Governing Medical Assistance.

469. (RESERVED).

996. **ADMINISTRATIVE PROVISIONS.** Contested case appeals shall be governed by Idaho Department of Health and Welfare Rules, Title 5, Chapter 3, Sections 000, et seq., Rules Governing Contested Case Proceedings and Declaratory Rulings.

997. **CONFIDENTIALITY OF RECORDS.** Information received by the Department in connection with Medicaid provider reimbursement is subject to the provisions of Idaho Department of Health and Welfare Rules, Title 5, Chapter 1, Rules Governing Protection and Disclosure for Department Records (See Appendix 1).

998. (RESERVED).

999. **ADMINISTRATIVELY NECESSARY DAY (AND).** An Administratively Necessary Day is intended to allow a hospital time for an orderly transfer or discharge of recipient inpatients who are no longer in need of a continued acute level of care. AND's may be authorized for

Transmittal No: 03-005  
Supersedes No: 95-016

Date Approved:  
Date Effective: April 1, 2003

STATE <u>IDAHO</u>	A
DATE REC'D <u>6-25-03</u>	
DATE APPV'D <u>3-2-04</u>	
DATE EFF <u>4-1-03</u>	
HCFA 179 _____	